

**PRESS RELEASE**

FY 2023-24

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**SMART SOLUTIONS FOR A SMART WORLD**

**GECI INTERNATIONAL CONFIRMS ITS ROBUST GROWTH  
DURING THE FIRST HALF OF FY 2023-24**

*First-half revenues, up +17.9%, confirm the robust trend seen for several half-year periods by the GECI International Group, a Digital and Technology specialist. In a significantly disrupted economic and geopolitical context, the performances recorded confirm the Group's full-year targets for double-digit growth. This has further strengthened the Group's commitment to building a sustainable growth model.*

**FIRST-HALF KEY DEVELOPMENTS**

GECI International recorded consolidated revenues of €11.55m during the first half of FY 2023-24, up +17.9% from the previous year (+18.7% at constant exchange rates).

The continued trend for strong organic growth is supported primarily by the sustained progress with the telecoms activities, building on the transformation of major contracts in Brazil, and the resilience of the high performance computing (HPC) and financial IT activities despite the slowdown in demand.

At September 30, 2023, the breakdown of the Group's consolidated revenues was as follows: 59.3% in France and 40.7% in Brazil. This reflects a negative exchange effect in Brazil for €0.08m, representing 0.7% of revenues, taking into account the change in the Brazilian real against the euro during the first half of this year.

At end-September 2023, the Group had a total of 504 employees, compared with 442 at end-September 2022 and 530 at end-March 2023. This change is linked primarily to the deployment of various framework agreements in Brazil.

During the first half of this year, the Group continued moving forward with its policy to develop international alliances, focused in particular on human resources, commercial aspects and technologies.

**CHANGE IN REVENUES FOR EACH BUSINESS LINE AND REGION**

(currently being audited)	Apr 2023 to Sep 2023 (6 months)		Apr 2022 to Sep 2022 (6 months)		Change (%)
	€m	% of rev	€m	% of rev	
<i><u>Business division</u></i>					
Technologies	6.36	55.1%	3.86	39.4%	+ 64.9%
Digital	5.19	44.9%	5.94	60.6%	- 12.7%
<b>Half-year revenues</b>	<b>11.55</b>	<b>100%</b>	<b>9.80</b>	<b>100%</b>	<b>+17.9%</b>
<i><u>Region</u></i>					
France	6.85	59.3%	7.48	76.3%	- 8.4%
Brazil	4.70	40.7%	2.30	23.5%	+ 104.5%
Israel	0.00	0.0%	0.03	0.3%	ns
<b>Half-year revenues</b>	<b>11.55</b>	<b>100%</b>	<b>9.80</b>	<b>100%</b>	<b>+17.9%</b>

The **Technology division** (€6.4m, representing 55.1% of half-year revenues) is up +64.9% from the previous year. This performance is linked mainly to the ramping up of the Brazilian subsidiary's business development (+108.0% at constant exchange rates) with the rollout of major contracts signed in previous years in the

telecoms sector. In France, the division is able to confirm the upturn in the Telecoms business (+3.7%) and the emergence of the Engineering activities (+31.1%).

The **Digital division** (€5.2m, representing 44.9% of half-year revenues) is down -12.7% compared with the first half of the previous year. This change primarily reflects the contraction in IT Outsourcing activities over the period (-42.8%), while the HPC and Finance activities remained stable overall in relation to the high bases for comparison from the first half of the previous year.

## FINANCIAL POSITION

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The Group has continued to further strengthen its financial position by:

- (i) reinforcing its presence alongside its main contracting authorities with a range of stronger value-added solutions, notably reflected in strong revenue growth for the Technologies division and the resilience of the Digital division's revenues in a more difficult economic environment;
- (ii) continuing to increase the average daily billing rate in France (+12% between April 2023 and October 2023).

The Group's net financial debt totaled €6.4m at end-September 2023 (figures currently being audited), including €0.6m of financial debt (including overdrafts), €1.7m for the factoring advance, €0.4m for the ORNAN bond and convertible bond debt, €0.5m for the restatement of lease charges, €3.4m of debt linked to the Eolen Group's acquisition (put and vendor loan), €0.1m for a partner current account and €0.4m of cash.

Net financial debt is therefore down €0.3m or -4.6% compared with March 2023 (€6.6m). The partner current account concerns the leading shareholder XLP Holding, which contributed €0.2m in August 2022 to support the Group's development strategy.

During the first half of FY 2023-24, the Group raised €0.25m gross through the conversion of 25 ORNAN bonds<sup>1</sup>. This refinancing enabled the Group to repay part of its debt and further strengthen its equity at end-September 2023, through capital increases for the same amount.

## OUTLOOK

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The revenue growth, the continued strengthening of the financial position and the expected improvement in profitability confirm the relevance of the Group's strategy and its ability to maintain sustainable growth.

For the current financial year, considering the trends observed, the Group is forecasting double-digit growth in its full-year revenues.

In a disruptive environment driven by the new challenges relating to the digital, ecological and energy transformation of organizations and businesses, GECI International is continuing to move forward with its innovation strategy with a view to increasing the convergence of its two business divisions and ramping up its positions on strong value-added markets: telecommunications, transport, renewable energies and IT.

Alongside this, the Group is moving forward with the diversification of its business model, capitalizing on technological alliances and commercial partnerships, especially in France and Brazil, to market smart solutions with strong potential, focusing in particular on the smart city market (smart cities and related systems such as traffic systems, public lighting, parking, residences, internet of things, etc.).

With the innovative mindset that has guided the Group since it was founded, its expert management of complex projects, and its ability to drive progress with new technologies, the Group aims to continue building on its profitable growth, while expanding its business model.

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<sup>1</sup> As authorized by the Combined General Meeting on September 29, 2022, the Group set up financing on May 12, 2023 for a total net nominal amount of up to €9.3m through the issuing of up to 1,000 ORNAN bonds reserved for YA II PN, Ltd. During the first half of this year, the Group carried out one drawdown for 25 ORNAN bonds on June 25, 2023. There are still 975 ORNAN bonds outstanding, representing a gross total of €9.75m.

## **NEXT DATE**

2023-24 half-year earnings on December 15, 2023 (after close of trading).

## **ABOUT GECI INTERNATIONAL**

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### ***“Smart Solutions for a Smart World”***

GECI International is a specialist Technology and Digital group. Since it was founded in 1980, the Group has innovated to design and develop smart solutions, products and services for the Research, Industry and Service sectors.

Driven by its recognized expertise, its ecosystem of technological partnerships, its business alliances and its highly qualified capabilities around the world, GECI International is positioned, with agility, across the entire value chain - consulting and expertise, development and integration, IT outsourcing and training - to support businesses and organizations with their search for a competitive strategy.

GECI International is also rolling out a robust new entrepreneurial approach with the development of new smart and technological solutions focused on smart cities and the world of transport.

GECI International is listed on the Euronext Growth Paris market. ISIN (shares): FR0000079634 – ALGEC.

## **CONTACTS**

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